



NOTICE TO DISTRIBUTORS AND USERS OF LIQUEFIED NATURAL GAS AND COMPRESSED NATURAL GAS

House Bill 1590 of the 2014 Regular Session amended Sections 27-59-3 and 27-59-11 to modify the taxation of Liquefied Natural Gas (LNG) from one hundred cubic feet measurement (ccf) to diesel gallon equivalents (DGE). The legislative change was effective July 1, 2015 and imposed a tax rate of eighteen cents (.18¢) per DGE. Diesel gallon equivalent is defined as 6.06 pounds of LNG. If at any time the National Conference of Weights and Measures adopts a diesel gallon equivalent definition, that definition will become the standard.

House Bill 1590 amended Section 27-59-29 to exempt vehicles that use Liquefied Natural Gas from obtaining a Compressed Gas Decal. The taxes are levied on any distributor of LNG or of the business, person or venture bringing and/or consuming fuel into Mississippi. The exemption did not relinquish the requirement for vehicles that operate in interstate commerce to obtain an International Fuel Tax Agreement (IFTA) Decal.

All returns must be filed and paid online using Taxpayer Access Point (TAP).

House Bill 443 of the 2015 Regular Session did not impact the taxation of Compressed Natural Gas (CNG). Although Compressed Natural Gas continues to be taxed at eighteen cents (.18 ¢) per one hundred cubic feet (ccf), the Bill mandates retailers to sell CNG in gasoline gallon equivalents (GGE). Gasoline gallon equivalent is defined as 5.660 pounds of CNG which is comparable to 126.67 cubic feet or twenty two and eight tenths of a cent (.228 ¢) per GGE. For tax purposes, distributors are required to convert their GGE into one hundred cubic feet. If at any time the National Conference of Weights and Measures adopts a gasoline gallon equivalent definition, that definition will become the standard.

Compressed Gas Decals continue to be required for vehicles using Compressed Natural Gas if the CNG is purchased by a Mississippi resident or Mississippi business. New applications for Compressed Gas Decals must be mailed to the address provided below. All renewals must be filed online using Taxpayer Access Point (TAP).

For more information concerning this bulletin, contact the Petroleum Tax Bureau at the number provided below.